

Benefits and Entitlements Service Team (BEST) BENEFITS BULLETIN

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Immediate Agency Thrift Savings Plan (TSP) Contributions for Federal Employees Retirement System (FERS) Employees

On 22 Jun 09, President Obama signed into law Public Law 111-31 which includes the Thrift Savings Plan Enhancement Act of 2009. One of the provisions of this new law is that it eliminates the waiting period of employees covered under the Federal Employees Retirement System (FERS) to receive Agency Automatic 1 percent and Agency Matching Thrift Savings Plan (TSP) Contributions. The effective date of this provision is 5 Jul 09 for Department of Defense (DoD) employees. This means that:

- All FERS employees who are hired or rehired on or after 5 Jul 09 will be immediately eligible for Agency Automatic 1 percent contributions. When they begin contributing to TSP, they will also be immediately eligible for Agency Matching Contributions.
- FERS employees who are currently waiting to become eligible for agency contributions (i.e., employees hired on or after 1 Dec 08) will become eligible for Agency Automatic 1 percent Contributions on 5 Jul 09. If they are contributing to TSP, they will also be immediately eligible for Agency Matching Contributions. Employees should see their first agency TSP contributions on their Leave and Earnings Statements for pay date 24 Jul 09.

If you are a new FERS employee and have delayed enrolling in TSP because you were waiting to become eligible for agency contributions, we encourage you to make your election as soon as possible to take advantage of this new provision. You must contribute at least 5 percent of your basic pay each pay period if you want to receive the maximum Agency Matching Contributions. Air Force-serviced civilian employees will make their election via the Employee Benefits Information System (EBIS) or the Benefits and Entitlements Service Team (BEST) automated phone system (see bulletin heading for web address and phone number). Detailed instructions for accessing the automated phone system can be found on our website: https://gum.afpc.randolph.af.mil/cgi-bin/askafpc.cfg/php/enduser/std_adp.php?p_faqid=5828. TSP elections are effective on the first day of the next pay period after the election is processed.